

ITEM #: \_\_\_\_\_  
FISCAL IMPACT: Revenue will be generated  
FUNDING SOURCE: Beverage service revenue  
ACCOUNT NUMBER: 21-0000-37255-00000

**ISSUE:**

A resolution approving a contract with Pepsi Beverages Company to provide beverages and beverage products for the Family Fitness Center and Centennial Park.

**SYNOPSIS:**

Proposals were solicited for a beverage service provider from Coke and Pepsi, the two vendors who can offer a wide variety of soft drinks and other beverages.

**BACKGROUND:**

A new contract for a beverage provider is needed for the Family Fitness Center and Centennial Park softball diamonds. Proposals from the two national-brand beverage suppliers were solicited. Both Coke and Pepsi submitted proposals that were reviewed, screened and compared by City staff. Pepsi submitted the most responsible bid for the needs of the City as outlined below.

	<b><u>PEPSI BEVERAGES CO.</u></b>	<b><u>COCA-COLA</u></b>
<b>Signing Bonus (one time)</b>	\$3,000	\$2,000
<b>Annual Bonus</b>	\$3,000	\$1,000
<b>Commission (machine sales)</b>	35%	42%
<b>Donation/Year</b>	100 cases (approx. \$1,000)	\$500
<b>Water Cost 16.9 oz/.5L</b>	\$0.33	\$0.69
<b>Fountain Cost/Gallon</b>	\$13.49	\$14.08
<b>Sports Drink 20 oz.</b>	\$1.00	\$0.86

Pepsi is offering the most up-front donations and the least expensive on-going price for product. In addition, Pepsi offered the greatest bonus percentage program for product sales, to be used at management's discretion. The beverage contract will be for five years and includes provision of all the vending machines, fountain dispensers, and product.

**RECOMMENDATION:**

City staff recommends approval of the resolution.

**SUBMITTED BY:**

Kevin Astill, Parks and Recreation Director  
Nancy Day, Fitness Center Director